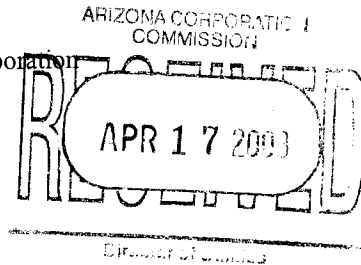


ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY



W-03263A
Diamond Valley Water Users Corporation
P. O. Box 20939
Sedona AZ 863410939



ANNUAL REPORT

FOR YEAR ENDING

12	31	2002
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*Entered
4/29/03
C.M.*
*2002
assessment
db updated
C.M.*

*4-29-03
J...
...*

FOR COMMISSION USE

ANN 04	02
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OK

COMPANY INFORMATION

Company Name (Business Name) **DIAMOND VALLEY WATER USERS CORP.**

Mailing Address **PO BOX 20939**

SEDONA

(Street)

ARIZONA

86341

(City)

(State)

(Zip)

928-284-1719

928-284-1719

1-800-240-0660

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

Local Office Mailing Address **PO BOX 20939**

SEDONA

(Street)

ARIZONA

86341

(City)

(State)

(Zip)

928-284-1719

928-284-1719

1-800-240-0660

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

MANAGEMENT INFORMATION

Management Contact: **Timothy Kylo** **Manager**

(Name)

(Title)

PO Box 20939

Sedona

Arizona

86341

(Street)

(City)

(State)

(Zip)

928-284-1719

928-284-1719

1-800-240-0660

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address **kyllo@unetus.com**

On Site Manager: **SAME AS ABOVE**

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address

Statutory Agent: UNKNOWN
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

Attorney: NONE OF RECORD
(Name)

(Street) (City) (State) (Zip)

Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

- | | |
|---|---|
| <input type="checkbox"/> Sole Proprietor (S) | <input type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P) | <input type="checkbox"/> Subchapter S Corporation (Z) |
| <input type="checkbox"/> Bankruptcy (B) | <input type="checkbox"/> Association/Co op (A) |
| <input type="checkbox"/> Receivership (R) | <input type="checkbox"/> Limited Liability Company |
| <input checked="" type="checkbox"/> Other (Describe) <u>ARIZONA NON PROFIT CORP</u> | |

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

- | | | |
|-------------------------------------|---|-----------------------------------|
| <input type="checkbox"/> APACHE | <input type="checkbox"/> COCHISE | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA | <input type="checkbox"/> GRAHAM | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ | <input type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE |
| <input type="checkbox"/> NAVAJO | <input type="checkbox"/> PIMA | <input type="checkbox"/> PINAL |
| <input type="checkbox"/> SANTA CRUZ | <input checked="" type="checkbox"/> YAVAPAI | <input type="checkbox"/> YUMA |
| <input type="checkbox"/> STATEWIDE | | |

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	19,434	1,692	17,742
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services	36,427	2,127	34,300
334	Meters and Meter Installations	1,060	91	969
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	56,921	3,910	53,011

This amount goes on the Balance Sheet Acct. No. 108

OC added from 4/16/01 thru 12/31/02

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs			
311	Pumping Equipment	19,434	5%	971
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services	36,427	5%	1,821
334	Meters and Meter Installations	1,060	5%	53
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	56,921	5%	2,845

This amount goes on Comparative Statement of Income and Expense _____
 Acct. No. 403.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 15,951.38	\$ 15,537.40
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 15,951.38	\$ 15,537.40
	FIXED ASSETS		
101	Utility Plant in Service	\$ 13,832	\$ 56,921
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	691	3,910
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$	\$
	TOTAL ASSETS	\$ 29,092.38	\$ 68,548.40

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$ 200,627.92	\$ 161,734.19
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	2,560	7,768
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 203,187.92	\$ 169,502.19
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ na	\$ na
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$
	TOTAL LIABILITIES	\$ 203,187.92	\$ 169,502.19
	CAPITAL ACCOUNTS		
201	Common Stock Issued <i>Opening bal equity</i>	\$ 16,500	\$ 16,500
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(190,595.54)	(117,453.79)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$ (174,095.54)	\$ (100,953.79)
	TOTAL LIABILITIES AND CAPITAL	\$ 29,092.38	\$ 68,548.40

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 170,218.47	\$ 250,601.56
460	Unmetered Water Revenue		
474	Other Water Revenues	9,765.35	26,858.06
	TOTAL REVENUES	\$ 179,983.82	\$ 292,509.67
	OPERATING EXPENSES		
601	Salaries and Wages	\$	\$
610	Purchased Water	253,765.71	89,145.62
615	Purchased Power	7,641.27	11,074.98
618	Chemicals		
620	Repairs and Maintenance	5,211.49	40,155.77
621	Office Supplies and Expense	1,203.82	190.93
630	Outside Services	36.971	58,969
635	Water Testing		143
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	1,000.79	
403	Depreciation Expense	691	1,415
408	Taxes Other Than Income		
408.11	Property Taxes	45,218.22	899.67
409	Income Tax State of Az		100
	TOTAL OPERATING EXPENSES	\$ 370,855.98	\$ 202,093.97
	OPERATING INCOME/(LOSS)	\$ (190,872.16)	\$ 90,415.70
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$ (190,872.16)	\$ 90,415.70

SUPPLEMENTAL FINANCIAL DATA**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued N/A				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate				
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ _____

Meter Deposits Refunded During the Test Year \$ _____

COMPANY NAME **Diamond Valley Water Users, Corp.**

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (Gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
NO WELLS						

- Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
City of Prescott Valley	8" Meter	36,037

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
10			
5			
1.5			
3			

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
65,000	1	2,000	2
1,000	1		
500	1		

COMPANY NAME **Diamond Valley Water Users, Corp.**

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3	AC	4,580
4	AC	57,820
5		
6	AC	9,820
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	
3/4	526
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

STRUCTURES:

7 Pumping Lots with Small Bulidings and fencing

OTHER:

COMPANY NAME: **Diamond Valley Water Users, Corp.**

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2002

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	478	1,073	1,999
FEBRUARY	486	1,983	2,512
MARCH	485	1,792	2,868
APRIL	484	2,555	2,588
MAY	513	2,146	2,664
JUNE	494	2,915	4,033
JULY	486	3,124	3,747
AUGUST	497	3,168	3,582
SEPTEMBER	497	2,900	5,770
OCTOBER	492	2,171	3,192
NOVEMBER	498	2,301	2,656
DECEMBER	500	1,804	2,322
TOTAL		N/A	

27932 cm

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes (X) No

Does the Company have An ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes (X) No

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system. no wells mg/l
(If more than one well, please list each separately)

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME **Diamond Valley Water Users, Corp.** YEAR ENDING 12/31/2002

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2002 was: \$ **889.67**

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

YEAR ENDING 12/31/2002

For this reporting period, provide the following:

State Taxable Income Reported	<u>-0-</u>
Estimated or Actual State Tax Liability	<u>\$50</u>

N/A

Amount of Contributions/Advances	_____
Amount of Gross-Up Tax Collected	_____
Total Grossed-Up Contributions/Advances	_____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

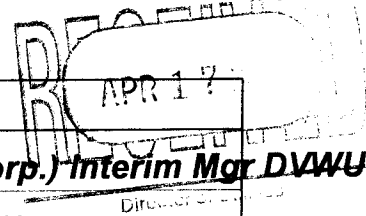
DATE _____

Manager DVWUC

TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

ARIZONA COMMISSION
COMMIS.



VERIFICATION

STATE OF _____

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	Yavapai
NAME (OWNER OR OFFICIAL) TITLE	Tim Kylo (Pres Bradshaw Mgt Corp.) Interim Mgr DVAWUC
COMPANY NAME	Diamond Valley Water Users, Corp.

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ **265,651**

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ **15,050**
IN SALES TAXES BILLED, OR COLLECTED

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SIGNATURE OF OWNER OR OFFICIAL
928-284-1719
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

14th

DAY OF

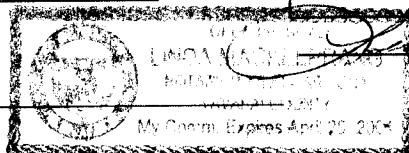
MONTH

April

20 03

(SEAL)

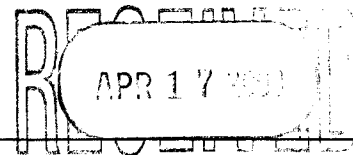
MY COMMISSION EXPIRES



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

ARIZONA CORPORATION
COMMISSION



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	Yavapai	
NAME (OWNER OR OFFICIAL)	Tim Kylo	TITLE Pres Bradshaw Mgt Corp
COMPANY NAME	Manager of Diamond Valley Water users Corp.	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

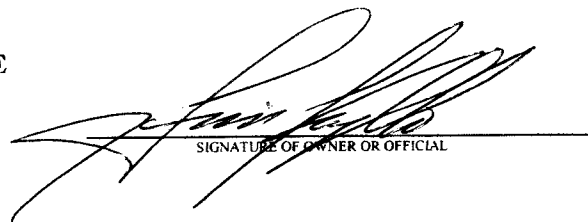
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ **292,509**

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **15,050**
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

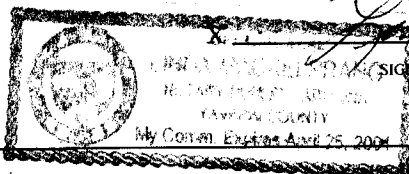
14TH

DAY OF

(SEAL)

MY COMMISSION EXPIRES

NOTARY PUBLIC NAME	Leida Mackelgren	
COUNTY NAME	Yavapai	
MONTH	April	20 03




SIGNATURE OF NOTARY PUBLIC



1015 CREDIT TO PAYEE'S ACCT
ENDORSEMENT GUARANTEED
BANK ONE, NA
1221-00024
PHOENIX, ARIZONA

ENDORSE CHECK HERE

X

DO NOT WRITE / SIGN / STAMP BELOW THIS LINE
DEPOSITORY BANK ENDORSEMENT